Project Methodology

Project Management Methodology

Version 1.0

Table of Contents

1. Document Control

A. Methodology Version

Revision Control of this Document

All changes made to this document will be made and approved by the PMO and documented in the attached revision log.

Version	Date	Author	Description of Changes

B. Structure of this Document

Microsoft Word Features Used in This Document

This document was developed using Microsoft Word features that simplify its formatting (for more information please consult the Microsoft Word help menus). In some cases, a text section may depart from these standards to enhance the document's clarity. The following styles are contained in this document and should be used for formatting the document to maintain consistency:

- Heading 1 – Used for major sections.
- Heading 2 – Subsections.
- Heading 3 – Areas in the subsection.
- Normal – Used to format text with the same indent as heading 1.
- Body Text – Used to format text with the same indent as heading 3.
- The sections of this document do not use any multi-level, numbering features.
- All tables have been manually formatted references.

PMBOK References

References made throughout this document refer to the Project Management Book of Knowledge. The references in this document refer to the 2000 Edition published by the Project Management Institute.

2. Project Management Methodology Overview

A. Background

The management teams of both Group and Shared Services have traditionally relied upon the individual strengths of project managers to plan and execute a variety of simultaneous projects. Project management expertise currently varies by team, with each relying upon its own unique project management approaches and tools. While this has served us relatively well in the past, we have reached a critical point where the number of projects on our plates, coupled with the necessity to share resources across multiple projects, has created the need for a more formal and structured approach to managing projects.

B. SWS Methodology Objectives

The objectives of SWS' methodology are:

1. **Establish a Structured Process** - Provide a common, structured approach for initiating, planning, executing, controlling and closing projects.

2. **Promote Consistency** - Produce project management documents that are consistent across all projects, thereby simplifying their management.

3. **Improve Resource Management** – Outline the resources required for a project thereby enabling Southern Wine & Spirits (SWS) to better manage resources.

C. Methodology Overview

Project Management Methodology Background

Southern Wine & Spirits' methodology is based on the structure outlined by the Project Management Institute (PMI). The methodology outlined in the remainder of this document is based on this structure. PMI distinguishes between project management processes (*how projects are managed)* and product development processes (*the process to specify and create the actual product)*.

The focus of this document is SWS' project management process. Each team should follow the appropriate product development process for their respective areas (e.g., SAP-specific methodologies, process improvement methods, etc.)

Intended Audience

The primary audience for SWS' Project Management Methodology is project managers. The Methodology is also useful for team members, management personnel, and other stakeholders. The Methodology is not a replacement for the judgment and experience of project managers and their teams. Rather it aids judgment by outlining the steps, issues, and responsibilities that are inherent in any project.

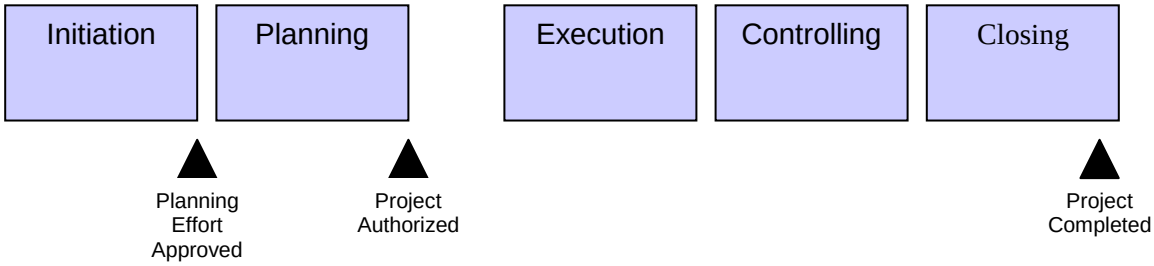
D. PMI Process Groups and Knowledge Areas

Process Groups

PMI organizes project management processes into five process groups:

Process Area	Description
Initiation	The steps required to authorize a project or project phase.
Planning	The steps required to define a project plan.
Execution	The activities required to complete a project.
Controlling	The controls used to ensure a project meets its objectives and for identifying and resolving project variances.
Closing	The process used to bring a project or phase to an orderly end and to gain formal acceptance of the project.

The following illustration depicts the sequence between PMI's major processes as applied to SWS needs.



Please refer to PMBOK, Chapter 3 for further information regarding Process Groups.

Knowledge Areas

PMI outlines Knowledge Areas spanning each of the processes above. These Knowledge Areas include:

Knowledge Area	Description
Project Integration Management	Ensures various elements of the project are properly coordinated. *Please refer to PMBOK Chapter 4 for further details.*
Project Scope Management	Ensures the project includes all the work required and only the work required to complete the project successfully. *Please refer to PMBOK Chapter 5 for further details.*
Project Time Management	Ensures timely completion of the project. *Please refer to PMBOK Chapter 6 for further details.*
Project Cost Management	Ensures project is completed within the approved budget. *Please refer to PMBOK Chapter 7 for further details.*
Project Quality Management	Ensures project satisfies the needs for which it was undertaken. *Please refer to PMBOK Chapter 8 for further details.*
Project Human Resource Management	Processes required to make the most effective use of the people on the project. *Please refer to PMBOK Chapter 9 for further details.*
Project Communications Management	Ensures timely and appropriate generation, collection, dissemination, storage and disposition of project information. *Please refer to PMBOK Chapter 10 for further details.*
Project Risk Management	Includes processes concerned with identifying, analyzing and responding to project risk. *Please refer to PMBOK Chapter 11 for further details.*
Project Procurement Management	Includes processes required to acquire goods and services from outside the organization. *Please refer to PMBOK Chapter 12 for further details.*

Southern Wine & Spirits Methodology Approach

SWS' methodology is organized by process areas and incorporates the Knowledge Areas reflecting SWS' needs. However, in order to simplify the project management methodology, the Knowledge Areas have not been highlighted.

E. Project Roles

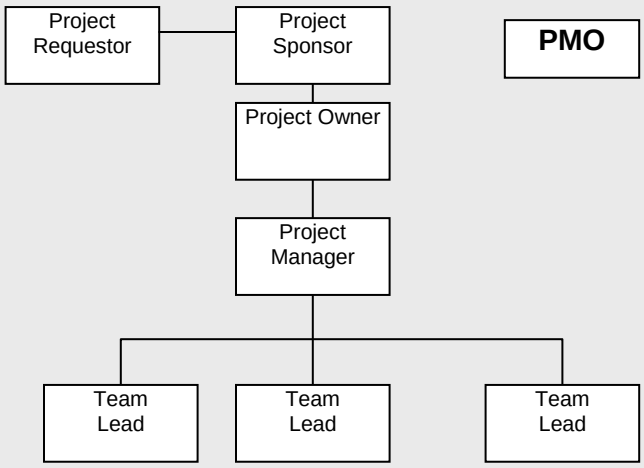
This document assumes certain roles exist on each project. These roles apply to each project and do not refer to an individual's administrative title. A person fulfilling a particular role on one project may also fulfill a different role on another project. In some cases, one person may fill multiple roles on a project team (e.g., serving as a project owner and sponsor). The attached table outlines these roles.

Project Role	Description of Project Role
Project Requestor	Person requesting a project. This person may be an executive, someone at a division or an internal (GSD/SSD) request.
Project Sponsor	Person championing and funding a project, acts as a key stakeholder, provides direction and serves as an escalation point. Multiple sponsors may exist (e.g., division sponsor, executive sponsor, project sponsor). However, every project should designate one person with ultimate decision making authority.
Project Owner	Person ultimately accountable for the project within GSD/SSD. Project Owners report to the head of GSD or the head of SSD. Project Owners also sit on the Approval Board outlined below.
Project Manager	Person responsible for completing the Project Charter, leading the planning effort and the production of the Project Plan, and for running the project. In the majority of cases, the Project Manager developing the Project Plan will lead the project's execution.
Team Lead	Team member reporting to the Project Manager that is responsible for completing a segment of the project.
Approval Board	The board approving all projects. The Approval Board consists of the head of GSD, the head of SSD, and their direct reports.
PMO	Organization facilitating project management processes across SWS. A detailed description of the PMO's responsibilities can be found in the Appendix.

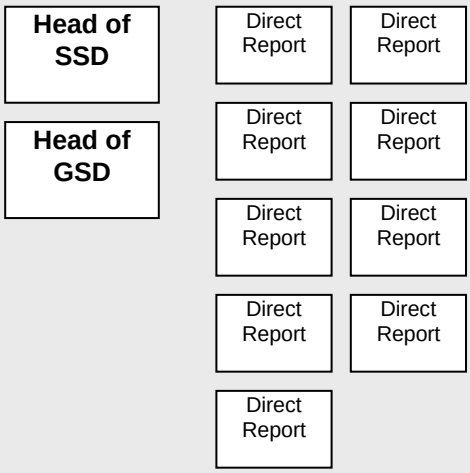
F. Project Organization Structure

The following organization charts outline the relationships between the roles described in the previous section.

Project Organization Structure



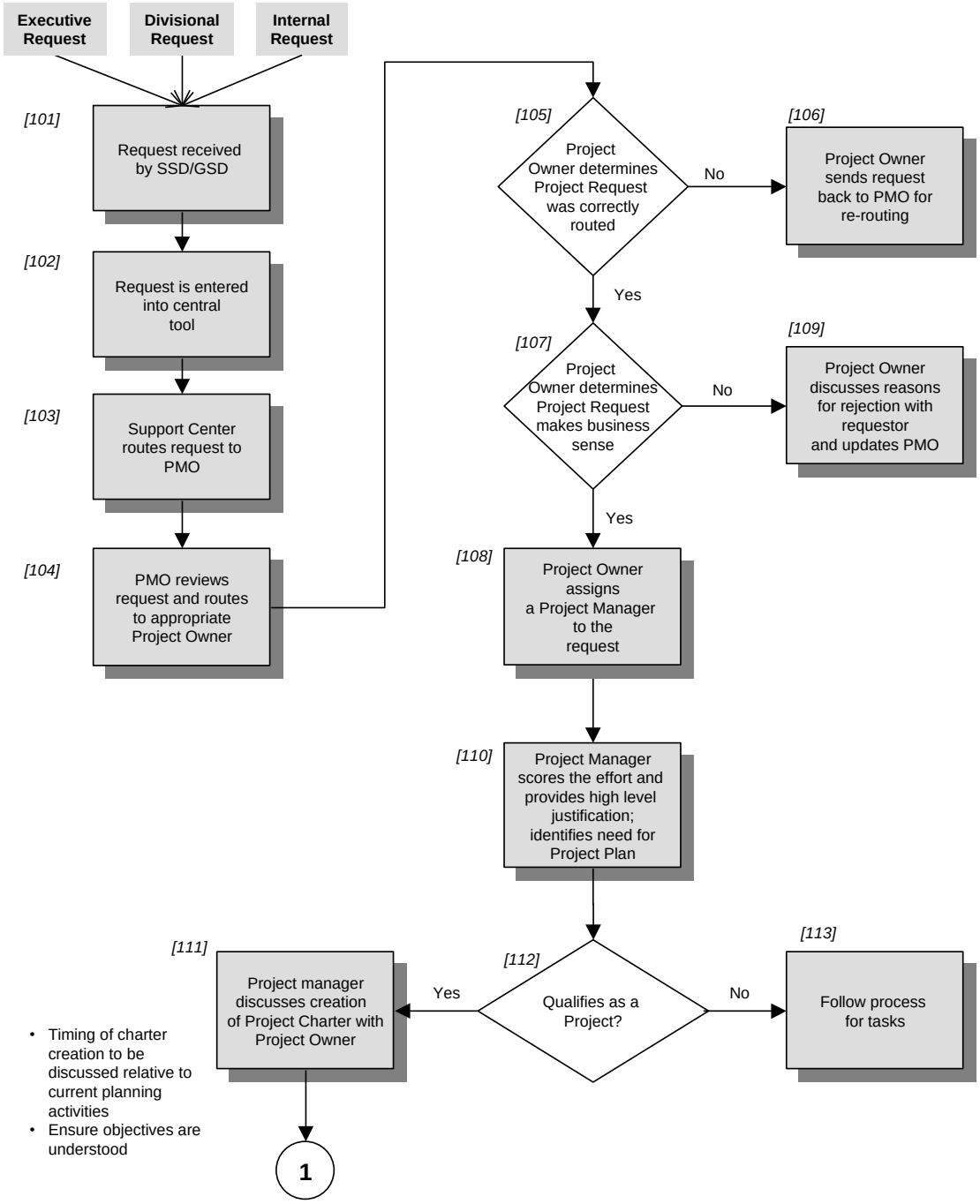
Approval Board

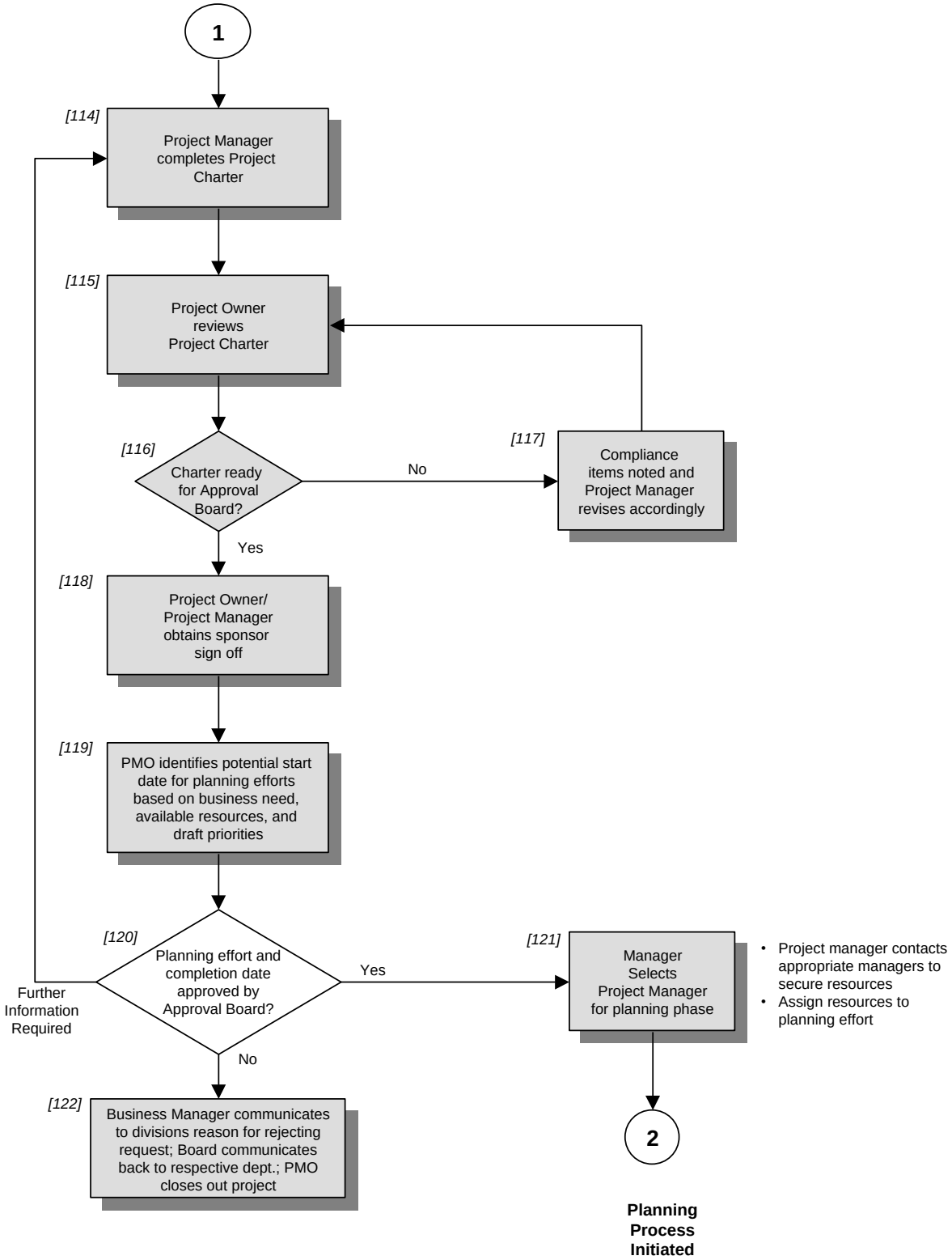


3. Methodology Quick Guide

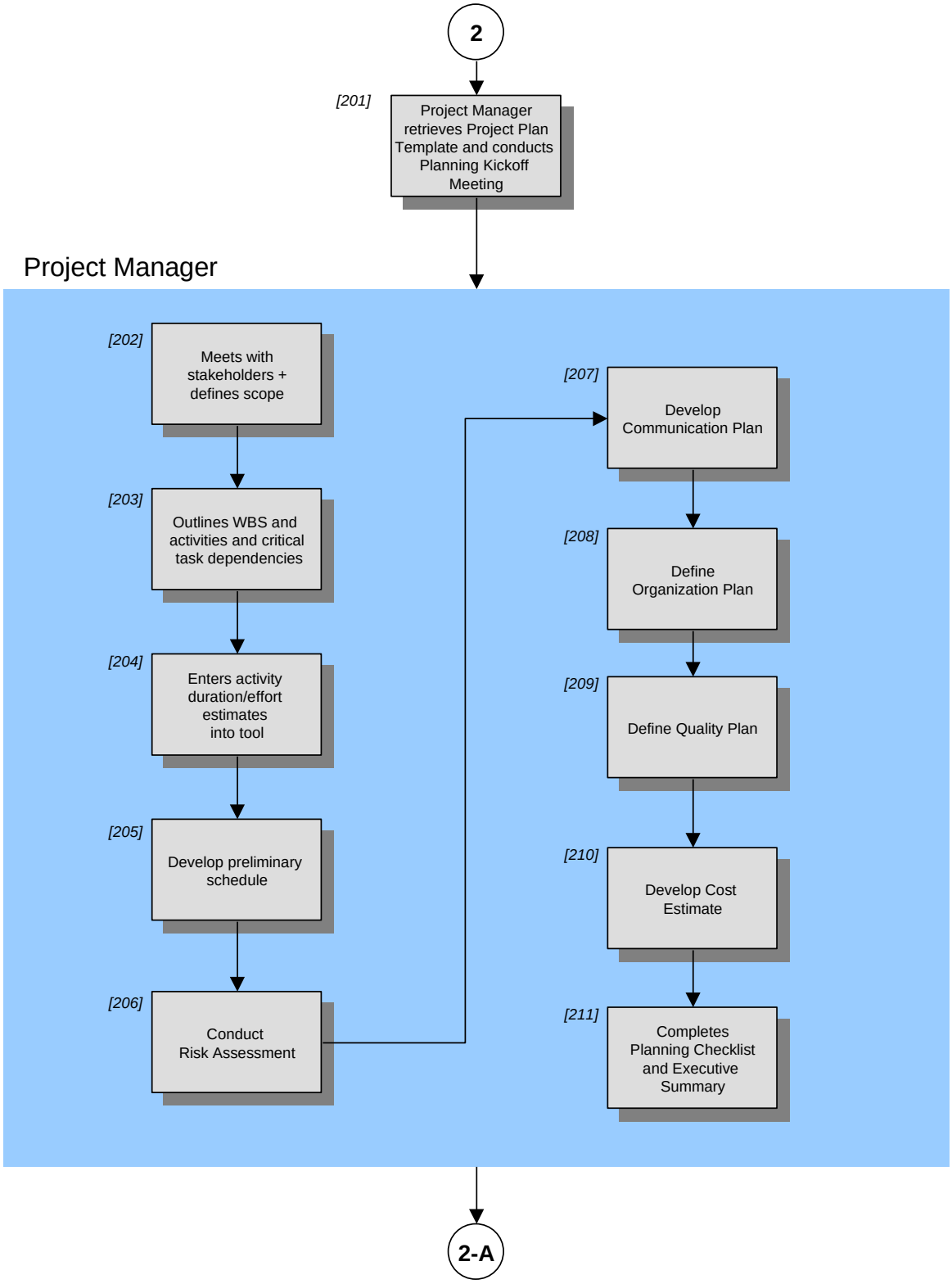
The Methodology Quick Guide provides Project Managers with an abbreviated version of the project management procedures. Please consult the appropriate process section for detailed process steps. The process steps and the diagrams are cross-referenced by the numbers in italics next to each step in the attached diagrams.

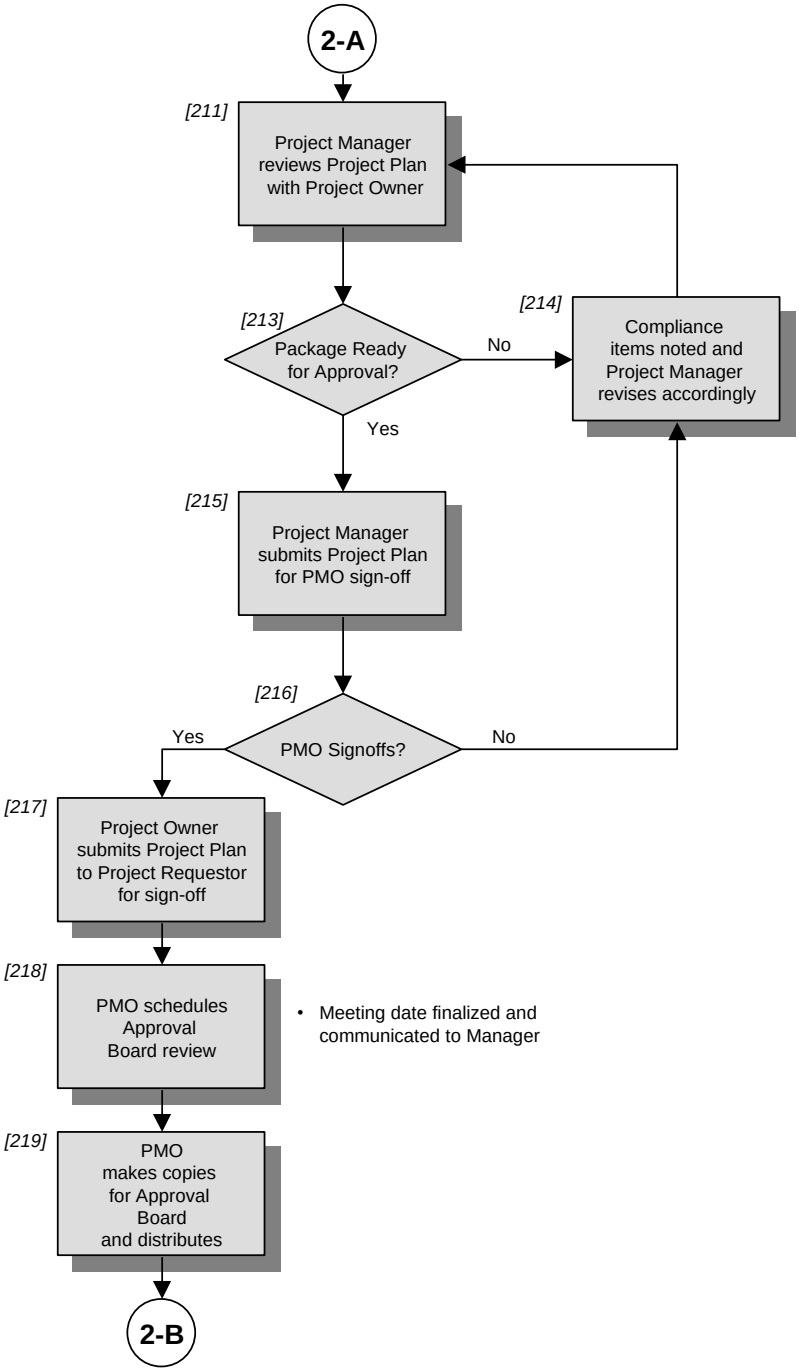
A. Initiation Process

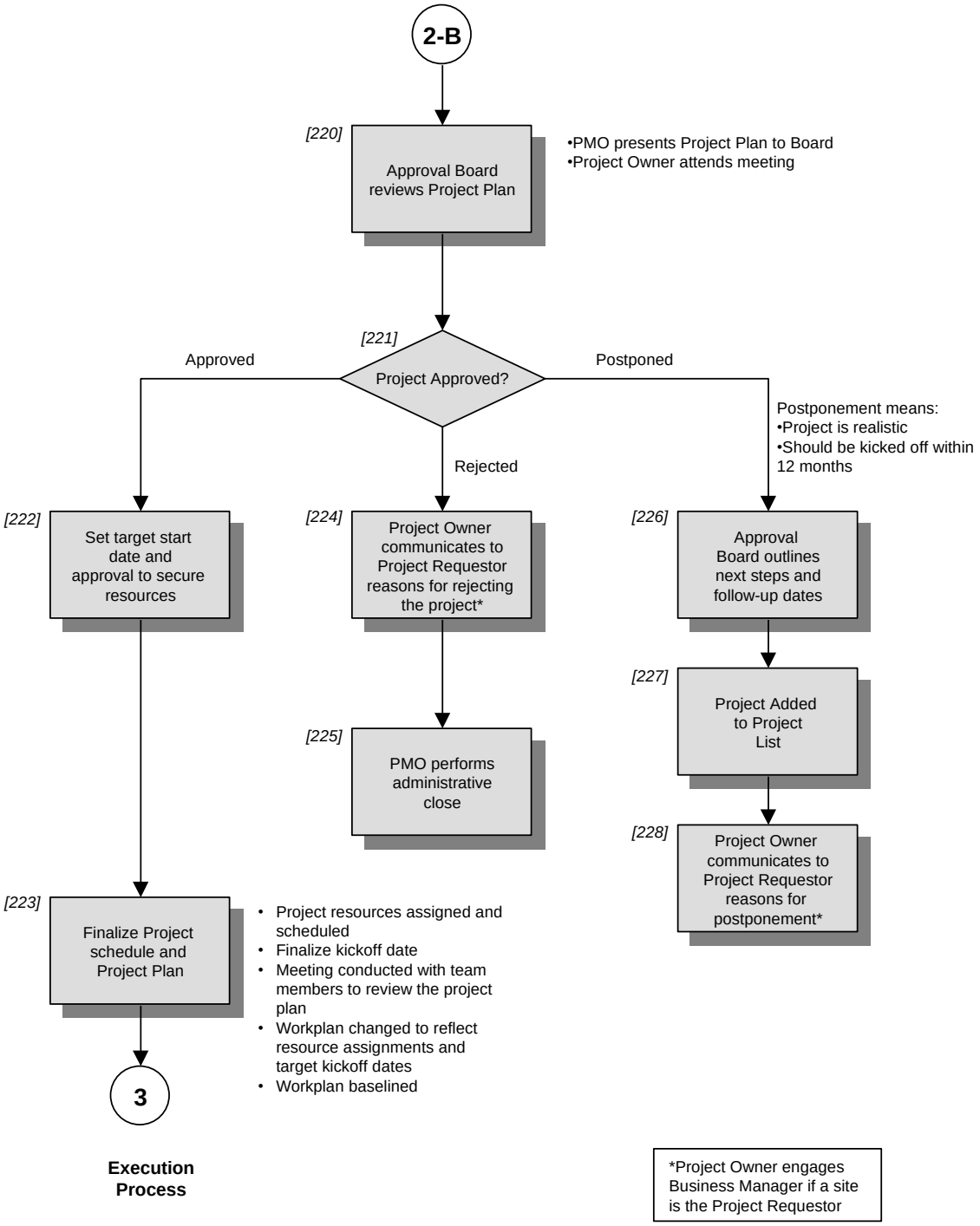



1
[114]
Project Manager completes Project Charter
[115]
Project Owner reviews Project Charter
[116]
Charter ready for Approval Board?
No
[117]
Compliance items noted and Project Manager revises accordingly
Yes
[118]
Project Owner/ Project Manager obtains sponsor sign off
[119]
PMO identifies potential start date for planning efforts based on business need, available resources, and draft priorities
[120]
Planning effort and completion date approved by Approval Board?
Yes
Further Information Required
No
[121]
Manager Selects Project Manager for planning phase
• Project manager contacts appropriate managers to secure resources
• Assign resources to planning effort
[122]
Business Manager communicates to divisions reason for rejecting request; Board communicates back to respective dept.; PMO closes out project
2
Planning Process Initiated

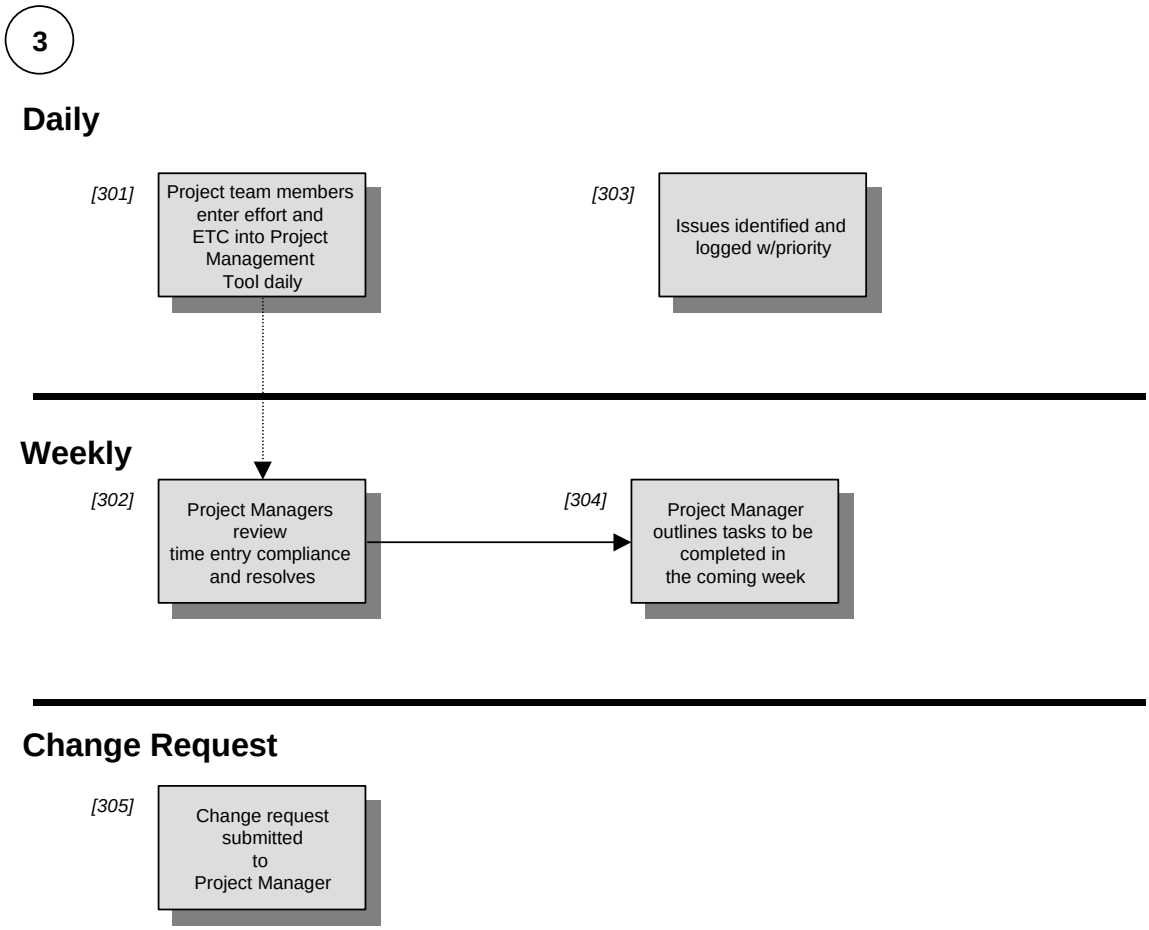
B. Planning Process




2-A
[211]
Project Manager reviews Project Plan with Project Owner
[213]
Package Ready for Approval?
No
[214]
Compliance items noted and Project Manager revises accordingly
Yes
[215]
Project Manager submits Project Plan for PMO sign-off
[216]
PMO Signoffs?
Yes
No
[217]
Project Owner submits Project Plan to Project Requestor for sign-off
[218]
PMO schedules Approval Board review
• Meeting date finalized and communicated to Manager
[219]
PMO makes copies for Approval Board and distributes
2-B

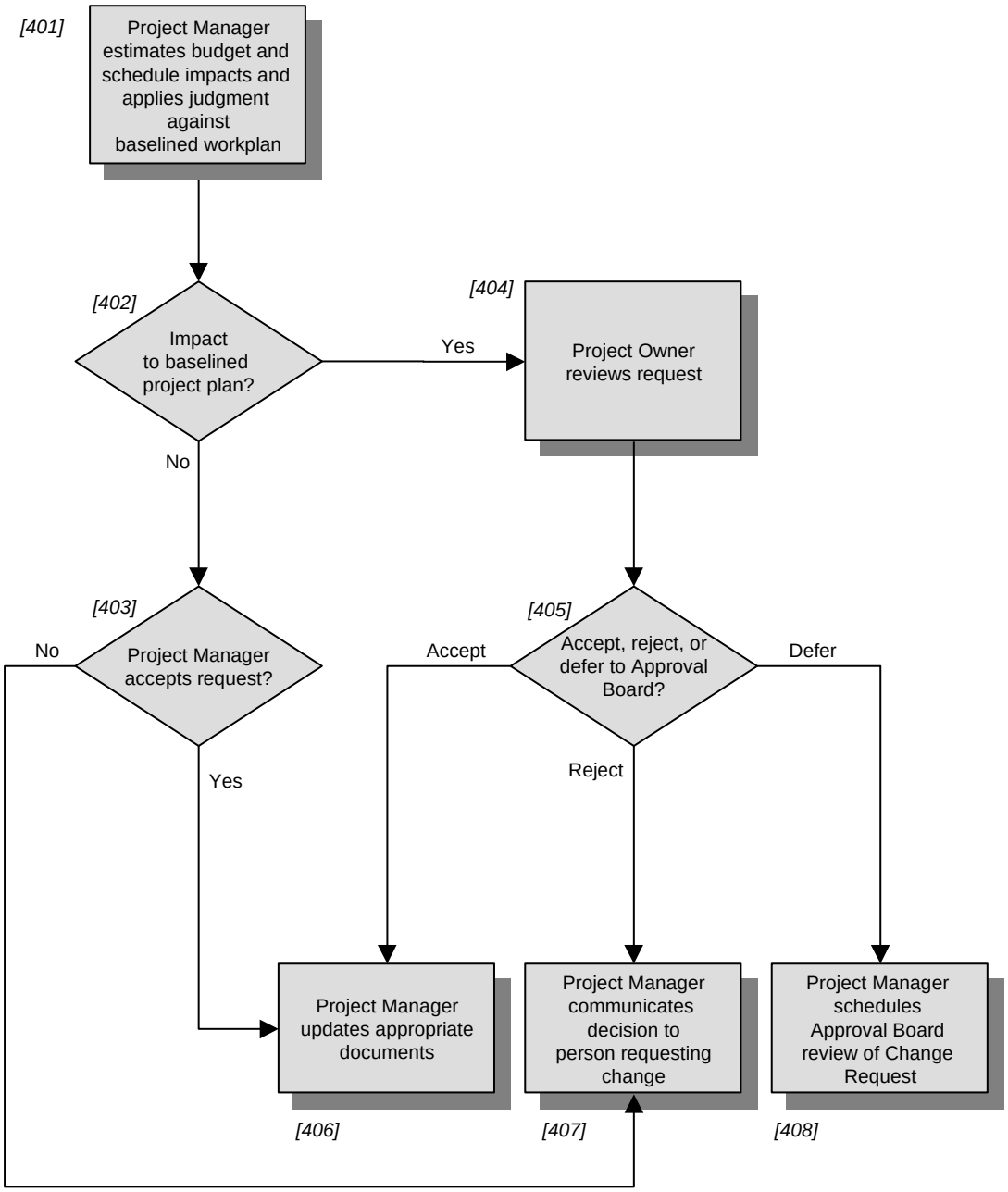

2-B
[220]
Approval Board reviews Project Plan
•PMO presents Project Plan to Board
•Project Owner attends meeting
[221]
Project Approved?
Approved
Rejected
Postponed
Postponement means:
•Project is realistic
•Should be kicked off within 12 months
[222]
Set target start date and approval to secure resources
[224]
Project Owner communicates to Project Requestor reasons for rejecting the project*
[226]
Approval Board outlines next steps and follow-up dates
[227]
Project Added to Project List
[228]
Project Owner communicates to Project Requestor reasons for postponement*
[225]
PMO performs administrative close
[223]
Finalize Project schedule and Project Plan
• Project resources assigned and scheduled
• Finalize kickoff date
• Meeting conducted with team members to review the project plan
• Workplan changed to reflect resource assignments and target kickoff dates
• Workplan baselined
3
Execution Process
*Project Owner engages Business Manager if a site is the Project Requestor

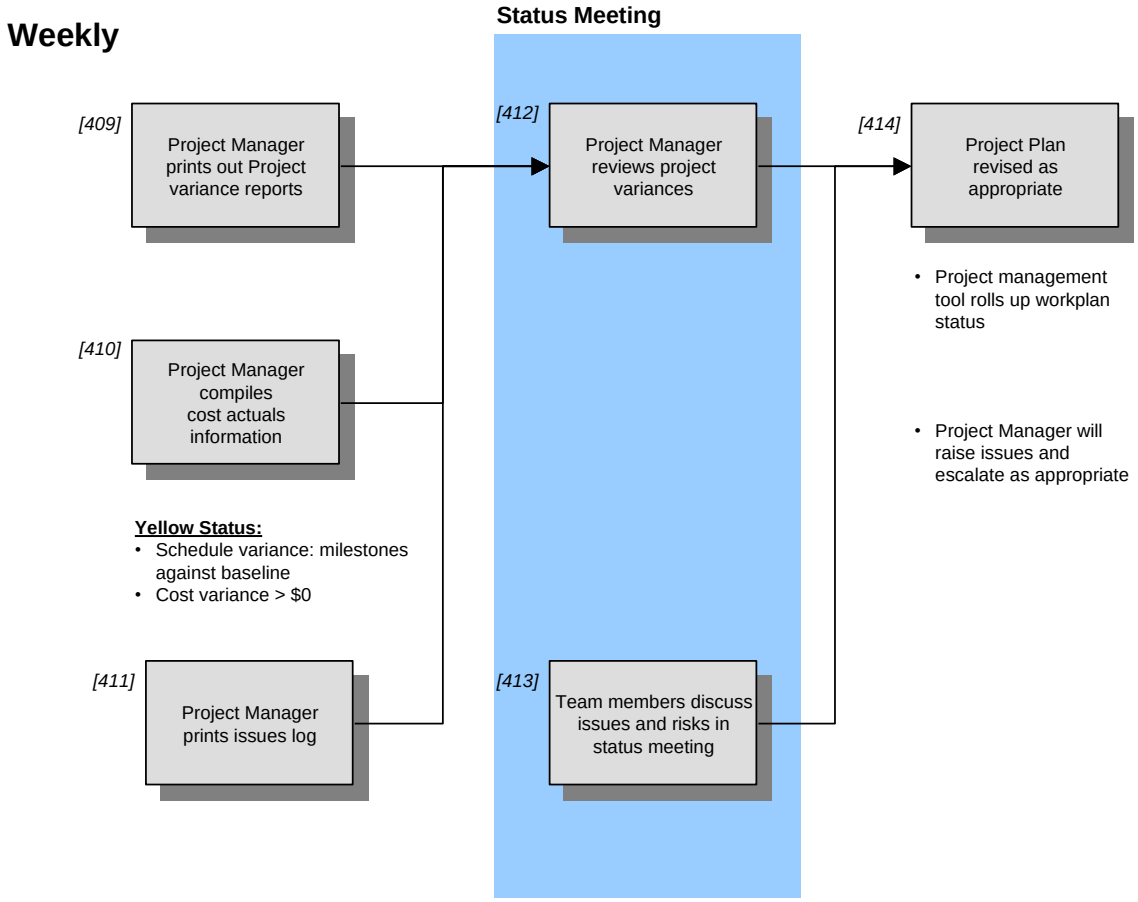
C. Execution Process



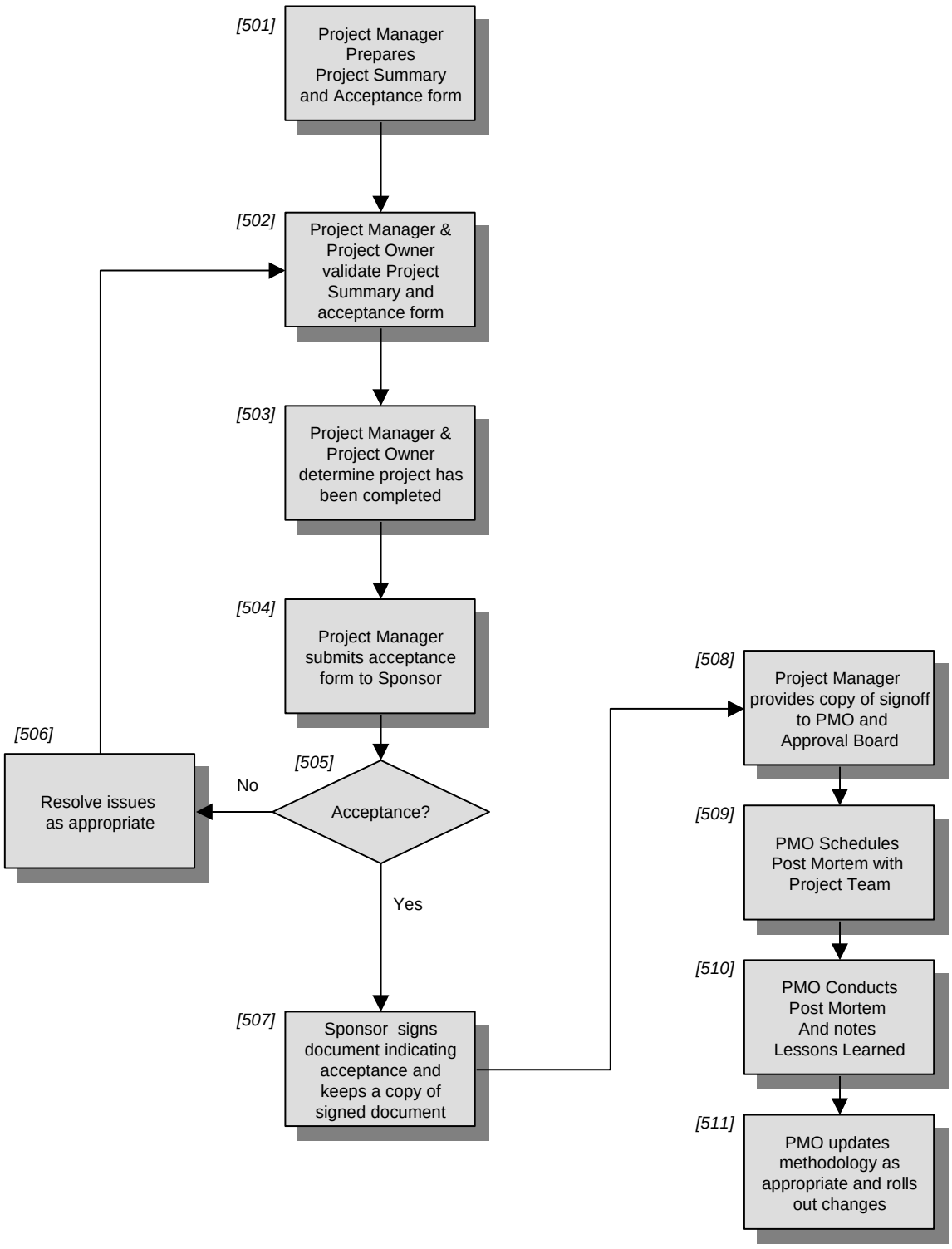
D. Controlling Process

Change Request




Weekly
Status Meeting
[409]
Project Manager prints out Project variance reports
[410]
Project Manager compiles cost actuals information
Yellow Status:
• Schedule variance: milestones against baseline
• Cost variance > $0
[411]
Project Manager prints issues log
[412]
Project Manager reviews project variances
[413]
Team members discuss issues and risks in status meeting
[414]
Project Plan revised as appropriate
• Project management tool rolls up workplan status
• Project Manager will raise issues and escalate as appropriate

E. Closing Process



4. Process Format

This section outlines the standard PMI processes that have been adapted to SWS' needs. Each process contains the following sections.

- **Description** – Background and description of the process.
- **Objectives** - Objectives of the process.
- **Estimating Factors** – Factors used to estimate the effort required to complete the activities for that process.
- **Steps** – The detailed steps required to complete the process.
- **Inputs** - A description of the inputs to the process.
- **Outputs** – The outputs produced by the process.

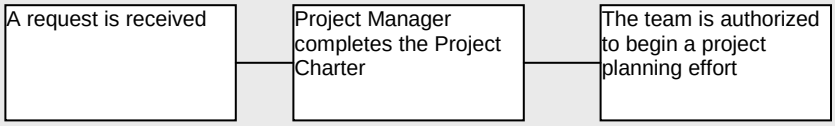
The process steps and the diagrams are cross-referenced by the numbers in italics next to each step in the attached processes.

5. Initiation Process

Description

All projects begin with the receipt of a project request articulating the business need and justification for a project. The Initiation Process is the starting point for translating these requests into a project planning effort. During the Initiation Process, the business need is outlined and a clear understanding developed regarding the resources required for the planning effort. The primary purpose of the Initiation Process is to complete a Project Charter defining the project and to secure approval for the planning effort. The graphic below illustrates the key steps of the initiation process.

Initiation Process



Please refer to PMBOK section 5.1, Initiation for further information regarding the process of initiating projects.

Objectives

The Initiation Process has several objectives:

1. **Clarify the Requested Need -** Clarify the business need supporting the project request.

2. **Understand the Scope of the Planning Effort** - Clearly outline the planning effort and the resources that must be assigned to the planning effort.

3. **Assign Appropriate Resources to the Planning Effort -** Ensure that planning efforts are coordinated against all other activities in the organization such that resources are available and allocated effectively.

Estimating Factors

The Initiation Process should be completed in a relatively quick timeframe since the Project Charter communicates high-level information. In order to estimate the effort required in the Initiation Process, the Project Manager should consider the following factors:

- **Vendor Involvement** - The time required to contact vendors for ballpark quotes.
- **Degree of Due Diligence** - The level of due diligence required to provide a reasonable estimate of the project cost.
- **Number of People Involved** - The number of people that must be consulted in order to create the Project Charter.
- **Scope of the Effort** – Larger efforts require a greater degree of due diligence prior to proceeding with a commitment to fund the effort.

Process Steps

Initiation Steps

1. The Project Requestor submits the request to SSD/GSD. The request should be submitted via the appropriate medium – email, voice mail, in person, etc. *[101]*

2. The request is received by SSD/GSD and is entered into the central tool used to track requests. *[102]*

3. The Support Center reviews the request and determines the request type. The request can be classified as either a task or a project. Tasks are small efforts that generally require only 1-2 people within the same department. Projects are larger efforts that require several resources, span multiple departments or contain significant risks requiring them to be managed closely. *[103]*
   a) If the request is a Task, then the Support Center handles the request using the guidelines already established. No further follow up is required.
   b) If the request is a Project, then the Support Center routes the request to the PMO.[1]

Qualified Projects are Chartered

4. The PMO reviews the request and routes it to the appropriate Project Owner.[2] *[104]*
   a) The PMO makes the routing determination based on the information contained in the request and the PMO's knowledge of which groups within SSD/GSD are best equipped to address the need.

[1] Involving the PMO at this point provides a central contact point for all project requests and allows tracking of the requests.
[2] In the future, this role may be fulfilled by the Support Center. However, the PMO will be involved in this step during the initial rollout of the Project Management Methodology.

5. The Project Owner determines whether the request was correctly routed. *[105]*
   a) If the request was not properly routed, the Project Owner sends the request back to the PMO for re-routing. *[106]*
   b) If the request was properly routed, the Project Owner determines if the Project Request makes business sense. *[107]*
      i) If it does not make sense, the Project Owner rejects the requests, discusses the reason for rejection with the Project Requestor and updating the PMO to close the request. No further work is required. *[109]*
      ii) If it makes business sense, the Project Owner assigns a Project Manager to the request. *[108]*

6. The Project Manager scores the effort and determines if the effort qualifies as a project. The Project Manager may need to discuss the request with the Project Requestor to fully understand the scope of the request and the justification. The request will be considered a project if it exceeds 40 hours and requires resources from two or more departments. *[110,112]*

   a) If the effort qualifies as a project, the Project Manager discusses the creation of the Project Charter with the Project Owner. *[111]* The purpose of this discussion is to:
      i) Understand when the Project Charter should be completed in light of current and planned activities.
      ii) Ensure there is a clear understanding of the objectives of the request.
   b) If the effort does not qualify as a project, the Project Manager sends the request back to the PMO for rerouting as a Task. *[113]*

7. The Project Manager completes the Project Charter[3]. During the creation of the Project Charter, the Project Manager meets with the Project Requestor/Owner/Sponsor to complete the information contained in the Project Charter. *[114]*

8. The Project Owner reviews the Project Charter with the Project Manager and identifies any issues or changes that must be made to the Project Charter. All issues are addressed and a final version of the Project Charter is prepared. *[115, 116, 117]* This review should validate questions that include:

   a) Is the business need and justification clear?
   b) Are the expectations clear regarding what must be delivered and the key assumptions that are being made and the timeframes required for delivery?
   c) Does the Project Charter describe the resources required by the Project Plan?

Charter Submitted for Approval

9. The Project Owner/Project Manager submits the Project Charter to the Project Sponsor for signoff. Any issues are resolved and the Project Charter is finalized.

10. The Project Sponsor then signs the Project Charter indicating agreement with the information contained in the document. *[118]*

[3] The Project Charter outlines the business need a project addresses and articulates the justification. It also outlines the high level requirements of the project in terms of what must be delivered in order for the project to be considered successful. The Project Charter also articulates the resources required for planning and executing the project.

11. The Project Manager submits the signed Project Charter to the PMO. The PMO reviews the Project Charter and proposes a recommended start date for the planning effort based on business need, available resources and business priorities. *[119]*

12. The PMO presents the Project Charter to the Approval Board. *[120]*

    a) If the Approval Board requires further information, the Project Charter is returned to the Project Manager for further clarification.
    b) If the Approval Board approves the request: *[121]*
        i) The Manager selects the Project Manager for the Planning Phase.
        ii) The Project Manager contacts the appropriate managers to secure the resources for the planning effort and the resources are assigned to the planning effort.
        iii) The Planning Process is initiated.
    c) If the Approval Board rejects the Project Request: *[122]*
        i) The appropriate Business Manager communicates the reason for the rejection to the division.
        ii) The Approval Board communicates to the respective department
        iii) The PMO closes the project within the system.

Initiation Process Inputs

1. Project Request

Initiation Process Outputs

1. Project Charter with disposition (approved or rejected)
2. Approval to secure project resources.
3. Date defined for the planning effort.

6. Planning Process

Description

The Planning Process encompasses the activities required to translate an authorized Project Charter into a well thought out Project Plan. The Planning Process assumes the Project Charter provides a high level outline of the project scope and that the planning effort must translate this scope into a detailed plan for executing the project. The Project Plan, once approved, serves as the basis for gauging project performance. This process outlines a linear planning process. However, in practice, the Project Plan is developed in an iterative fashion.

Objectives

The Planning Process has several objectives:

1. **Define Detailed Project Requirements** – This process builds upon the information in the Project Charter by defining the detailed project requirements. These requirements articulate the assumptions driving project estimates.

2. **Establish the Project Management Framework** – The Project Plan serves as the framework used by subsequent project management processes to manage expectations and resources.

3. **Obtain Project Approval** – The final Project Plan is submitted to the Approval Board to determine if the project will be executed.

4. **Identify Integration Areas** - The Project Plan identifies all areas within the organization impacted by the project.

Estimating Factors

Several factors should be considered when estimating the level of effort for completing the Planning Process. These include:

- **Number of Stakeholders** – The planning effort increases significantly if a large number of stakeholders are involved in defining the project scope.
- **Number of Disciplines Involved** – Plans that require the participation of multiple project disciplines (e.g., hardware + applications) require increased coordination and planning effort.
- **Complexity** – Plans with high levels of complexity (e.g., impact across multiple divisions) may require additional effort to ensure risks have been addressed.

Steps

1. The Project Manager retrieves the Project Plan Template from the shared folder used to store project documents. *[201]*
   a) The Project Manager conducts a kickoff meeting to orient members of the planning team. During this discussion, the Project Charter is reviewed and the Project Manager discusses each team member's roles and responsibilities in the planning effort.

2. The Project Manager leads the planning team through the planning effort.
   a) The Project Manager completes the Project Roles section of the Project Plan and the Project Planning Team section. The names of key users are also added to the User Signoff sheet.

   b) The planning team meets with the appropriate stakeholders to define scope-related items. *[202]*

      i) The planning team meets with the appropriate stakeholders and defines the goals and objectives of the project. The Project Manager completes this section by discussing the critical project goals as outlined by the Project Sponsor.

      ii) Project/Business Success Criteria - The Project Manager outlines the criteria (Project Success Criteria) used at the end of the project to gauge whether or not the project has succeeded. Additionally, the document must capture the benefit the project will deliver (e.g., increasing the number of cases per hour that can be processed, reducing cost, etc.). These business success criteria are entered into the Post Project Success Criteria.

      iii) Scope Definition - The planning team meets with the appropriate personnel to develop a detailed Scope Definition. The Scope Definition serves as a communication tool between the Project Sponsor and the project team. The Scope Definition should be described at a level allowing the planning team to accurately estimate cost, time and resource requirements. The planning team must define not only the in-scope items but also those items considered out-of-scope. The Scope Definition also includes the assumptions made by the planning team regarding the project scope (e.g., the number of users to be involved in a process, responsibilities, etc.).

      Together, these communicate the project scope. In certain cases, the Project Manager may prefer to incorporate documents outlining the scope by reference (e.g., an implementation project based on a design document). PMBOK Chapter 5 provides an overview of Project Scope definition.

      iv) Key Deliverables – The deliverables constitute the project's work product. These deliverables are outlined in the Project Plan. These deliverables upon their completion mark the completion of the project.

c) Outline WBS and activities and Critical Dependencies *[203]*

i) Project Approach – The planning team meets and discusses the project approach. The discussion includes defining the project phasing strategy. After this is clearly understood, the Project Manager describes the approach in the Project Plan document. The key activities are also described in the Project Plan.

ii) Work Breakdown Structure (WBS) – The Project Manager creates the WBS using SWS' standard project management tool. The activities and tasks are entered into the tool until the lowest level tasks are identified (tasks taking at most a week to complete). Dependencies are defined between activities and tasks and critical milestones are identified within the tool.

Some projects may require contributions from team members possessing specific expertise. In these cases, the Project Manager should rely on those team members to outline the WBS for those sections of the plan corresponding to their specialty.

iii) Dependencies – The planning team also defines dependencies in the project management tool. Please refer to the Sequencing/Schedule Development Guidelines in the Appendix regarding further information in these areas. *Please refer to PMBOK section 6.2, Activity Sequencing for further information regarding the types of dependencies that can occur between tasks.*

d) Duration/Effort/Resources – The Project Manager, together with the planning team, reviews each of the activities and tasks and begins estimating the effort associated with completing the tasks. Critical assumptions regarding the duration and effort (e.g., vendor lag time = 20 days or 6 hours estimated per report) should be captured in the workplan leveraging the features of the project management tool. The Project Manager must engage the planning team in the estimating process. *[204] Please refer to PMBOK section 6.3, Activity Duration Estimating for further information regarding the development of estimates on a project.*

Throughout this process, the Project Manager will assign generic resource categories (e.g., system analysts, team leaders, etc.) to each task along with the hours budgeted for each task[4].

e) Schedule Development – Based on the previous information, the Project Manager develops an initial schedule that allows the Project Manager to determine the approximate project length and the resources required. The schedule is determined based on the tasks, dependencies and estimates outlined in the workplan. As part of this process, the Project Manager identifies the critical path of the project. *[205]*

[4] Since the project has yet to be approved at this stage, it may be difficult to assign a specific resource at this time. The specific resource assigned to the project will be determined once the project has been approved and a target start date has been set.

f) Risk Assessment – This step identifies the key potential risks and outlines strategies for mitigating those risks. The planning team enters these measures into the workplan. During this step, the Project Manager, together with the planning team, outlines the potential risks the project may face including operational, financial or project-oriented risks. *[206]* To determine these risks, the Project Manager should ask questions such as:

Operational Risks

- Are there activities in this project that can impact the operations of the business?
- What parts of the project, if they fail, keep the business from functioning?

Financial Risks

- Can the project impact the financial structure of the business? (e.g., increase the cost of operations)
- What aspects of the project pose a risk to income?

Project Budget and Schedule Risks

- Are there any risks that will impact the project schedule (i.e., the critical path) or the project budget?

For further information regarding project risk analysis, please refer to PMBOK, Chapter 11, Project Risk Management.

g) Communication Plan - The Communication Plan outlines the communication needs of different stakeholders during a project's execution. The workplan must be updated to reflect the required level of communication for the project. For example, a Project Manager may choose to add vendor relations meetings if a project depends on outside resources. *[207]* The Project Manager should consider developing a robust communications plan for projects that:

- *Engage Multiple Users* – Projects working across multiple divisions require communication to ensure consensus.
- *Rely on Outside Vendors* – Vendor communication is critical when relying on external resources. The Project Manager may choose to define a structured process aligning vendor's interests with SWS'.
- *Span the Enterprise* – Enterprise-wide projects require establishing a high degree of visibility across the organization and ensuring that all constituents understand the project and its progress.

For further information regarding communication planning, please refer to PMBOK, Section 10.1, Communication Planning.

h) Organization Plan – The Organization Plan articulates the structure of the project team and communicates the relationships between project participants. This tool serves as an orientation tool for project team members when they are assigned to a particular project. *[208]* The Organization Plan should communicate information such as:

- *Team Structure* – This should define how the project team is organized and which roles lead what aspects of the project.
- *Relationships with Users* – Where specific users interact with the project and how they relate to the project team.

i) Quality Plan – The Project Manager outlines the quality plan that will be used. In general, this process will complete the following steps: *[209]*
   i) The Project Sponsor and certain team members will be interviewed.
   ii) The project documents will be reviewed to ensure the project management methodology is being followed (e.g., the project plan is being updated/baselined, no scope creep is occurring, status meetings are conducted, etc.).
   iii) The results will be reviewed by the Sponsor and the Project Owner.
   iv) Note: The checkpoints will typically be conducted every 3 months.

j) Cost Estimate – The Project Manager completes the Cost Estimating Worksheet drawing upon the appropriate resources as required. . *[210]*

k) Project Checklist and Executive Summary – Upon completing the Project Plan, the Project Manager completes the Project Checklist indicating which parts of the Project Plan have been included and outlining the rationale for any deviations to SWS' Project Management standard. The Project Manager then completes the Executive Summary capturing the key points detailed in the Project Plan. *[211]*

3. The Project Manager reviews the Project Plan with the Project Owner and walks through each of the areas. *[212, 213]*
   a) If the Project Owner agrees that the Project Plan is ready for approval, the Project Manager submits the Project Plan to the PMO for sign-off. *[215]*
   b) If the Project Plan must be revised, the Project Owner notes the discrepancies and the Project Manager incorporates the revisions. *[214]*

4. The PMO reviews the Project Plan to ensure it meets SWS' project management standards. *[216]*
   a) If the Project Plan meets the standards, the PMO returns the Project Plan to the Project Owner.
   b) If the PMO determines that the Project Plan does not meet the standards, the PMO notes the discrepancies and communicates those to the Project Manager for revision. *[214]*

5. The Project Owner submits the Project Plan to the Project Requestor for signoff. Any issues are resolved to ensure that the Project Requestor is satisfied with the Project Plan and that it meets the Requestor's need. *[217]*

6. The Project Owner notifies the PMO of the signoff and submits the signed Project Plan to the PMO. The PMO schedules the Approval Board review of the project. The meeting date is finalized and communicated to the Project Manager and the Project Owner. *[218]*

7. The PMO makes and distributes copies of the Project Plan to the Approval Board prior to the Approval Board meeting. *[219]*

8. The Approval Board meets and reviews the Project Plan. During this discussion, the PMO presents the Project Plan to the Approval Board. By definition, the Project Owner will be present at the meeting and therefore will act as the champion for the project at the approval meeting.[5] The Project Manager should also attend this meeting. The Approval Board determines that one of the following three actions take place:

   a) The project is approved.
      i) A target start date is set and approval given to secure resources for the project. *[222]*
      ii) The Project Manager for the project's execution is assigned. In almost all cases, the Project Manager assigned to the planning effort continues as the Project Manager for the project's execution. However, it should be noted that this might not always be the case.
      iii) Finalize the project schedule and the project plan. *[223]*
         (1) The Project Manager contacts the appropriate Managers to secure and assign the project resources.
         (2) A project kickoff date is set and the workplan is updated to reflect specific resources assigned to the project.
         (3) The Project Manager conducts the project kickoff meeting with the project team and reviews the plan.
         (4) After incorporating feedback from the project team, the workplan is updated and the project start date is set. The workplan and project plan are then baselined.[6]

   b) The project is rejected.
      i) The Project Owner discusses the reasons the project has been rejected with the Project Requestor. The Project Owner engages the Business Manager in this discussion if the Project Requestor is a site. *[224]*
      ii) The PMO closes the project request. *[225]*

   c) The project is postponed. Postponement only occurs if the Approval Board deems a project realistic and determines that the project should be kicked off within the next 12 months. If these criteria are not met, then the project should be rejected. [7]
      i) The Approval outlines the next steps that should be taken as well as follow-up dates. *[226]*
      ii) The PMO adds the project to the Project List. *[227]*
      iii) The Project Owner communicates to the Project Requestor the reasons for the postponement. *[228]*

[5] The Project Owner is a member of the Approval Board and therefore is assumed to be present during the review of the Project Plan to add additional perspective regarding the project and why it has been requested.
[6] The specific resources assigned to a project are "allocated" once the project plan and workplan have been baselined (should this be once the project is approved?). This ensures that resources are assigned in an orderly fashion across the entire organization.
[7] This criterion was set to ensure that an action has been taken on a particular project.

Planning Process Inputs

1. Approved Project Charter

Planning Process Outputs

1. Approved and Baselined Project Plan
2. Resources Allocated to a Project

Note that the inputs and outputs listed above are for the project. Depending on the nature of the project's product, there may be other outputs/deliverables produced as part of the planning effort – for example: requirements specifications, functional specifications, etc. These deliverables should be defined during the planning process.

7. Execution Process

Description

The Execution Process encompasses the effort associated with executing a project after its approval. The Execution Process leverages the Project Plan developed in the Planning Process. The Execution Process and the Controlling Process (discussed in the next section of this document) are closely interrelated. The Execution Process *completes* the work while the Controlling Process *manages* the work being completed.

Time Entry

Time entry represents a critical element of project management. Throughout the execution process, team members will be required to enter the hours expended on the project and their estimated hours to complete the task. The concepts underlie this process.

Term	Description
Budgeted Hours	The number of hours estimated initially to complete a particular task. The Controlling Process uses budgeted hours to determine project variances.
Actual Hours	The actual hours worked on a particular task.
Estimate-to-Complete (ETC)	The estimated hours remaining to complete a task.
Estimate-at-Completion (EAC)	The addition of the Actual Hours and the Estimate-to-Complete (ETC). This determines the total effort required to complete the task.

The following table provides examples of how this concept works.

Budgeted Hours	Actual Hours	+	ETC	=	EAC	Explanation
40	8	+	32	=	40	*No variance.* In this example, 8 hours have been spent on the task and 32 hours remain, implying that the task is tracking to the originally budgeted effort.
40	20	+	45	=	65	*Over budget.* In this example, 20 hours have been spent on the task and 45 hours remain, implying that when the task completes it will be 25 hours over the budgeted hours (40 - 65= -25 hours).
40	20	+	5	=	25	*Under budget.* In this example, 20 hours have been spent on the task and 5 hours remain, implying that when the task completes it will be 15 hours under the budgeted hours (40 – 25 = +15 hours).

Project Management Tool

This methodology assumes SWS leverages project management tools facilitating the capture of team member time and the production of reports used by the Controlling Processes.

Objectives

The Execution Process has several objectives:

1. **Authorize Work** – The project team executes activities in the Project Plan. When involving external vendors, it may become necessary to authorize the vendors to begin working on the project.

2. **Capture Information Used to Manage the Project** – Project team members capture the time worked on a particular task. This information becomes critical during the Controlling Process when the Project Manager reviews the project variances.

3. **Identify Changes** – Change requests are identified throughout the project. This process provides a controlled mechanism for managing change requests.

Estimating Factors

Several factors should be considered when estimating the level of effort for completing the Execution Process. These include:

- **Weekly Time Entry Effort** – The administrative effort required to enter time should be included in the Project Planning effort as part of the Project Management tasks.
- **Degree of Time Entry Compliance** – SWS may choose to report on whether or not project team members are entering their time on a timely basis. This effort increases when team members do not enter time expeditiously.

Steps

Daily *[301]*

1. Each day, project team members enter their time into the Project Management Tool along with their Estimate-to-Complete for the task.

Issues (as needed) *[303]*

1. Project team members identify issues and the Project Manager logs the issues into the issues log along with their priority. The Project Manager is responsible for the maintenance of the issues log to ensure that issues are resolved. Team members should exercise judgment regarding whether or not an issue should be escalated immediately.

Change Requests (as needed) *[305]*

1. Change Requests are submitted to the Project Manager as they are identified using the Change Request form. These change requests focus on the changes to the project as it executes. For example, this may include changes to the project scope, cost or schedule. The Project Manager will track all Change Requests in a Change Request log. *Please refer to PMBOK sections 4.3 Integrated Change Control, 5.5 Scope Change Control, 6.5 Schedule Control and 7.4 Cost Control for further information regarding the management of change requests.*

Weekly

1. The Project Manager reviews time entry compliance and ensures all project team members have entered their time into the Project Management Tool *[302]*. The Project Manager assigns tasks to the team members based on the workplan schedule developed during the Planning Process. *[304]*

Execution Process Inputs

1. Project Plan
2. Workplan

Execution Process Outputs

1. Updated Project Management Tool
2. Change Request Form and Log
3. Updated Issues Log

8. Controlling Process

Description

The Controlling Process works hand-in-hand with the Execution Process. While the team completes the work during the Execution Process, the Controlling Process provides the structure for managing the project's execution. The Controlling Process ensures that the project remains aligned with the goals stated by the Project Plan throughout the project's entire execution. The Controlling Process also serves as the primary vehicle for managing project scope. Two key areas are managed during this process:

- **Project Variances** – The Project Manager reviews the project variances including budget and schedule variances. Scope is also reviewed on an ongoing basis to ensure the project meets its stated objectives.

- **Change Requests** – The Project Manager controls the changes to the Project Plan to ensure that the scope is tightly managed against the original objectives. Revisions are made to the Project Plan upon accepting Change Requests (scope, cost, schedule).

Objectives

The Controlling Process has several objectives:

1. **Align Project Execution with the Project Plan** – Throughout the entire project; the Project Manager maintains a keen focus on the project's performance against the budgeted effort and target deadlines. The Project Manager continuously evaluates whether the project is delivering against the stated scope objectives.

2. **Control Changes to the Project Plan** – Change requests identified during the project execution are reviewed and approved to minimize scope creep and to control any changes that may impact the project.

Estimating Factors

Several factors should be considered when estimating the level of effort for completing the Execution Process. These include:

- **Project Complexity** – Complex projects typically require a higher degree of management to ensure they remain on track. This should be a key consideration for determining the level of project management required. Project complexities include:
  - Large project teams
  - Number of sub-project teams involved
  - Use of external vendors
  - Compressed project delivery timeframes
  - Experience with the product being developed.

- **Degree of Change** – Highly dynamic environments typically result in higher volumes of change requests. Under these circumstances, the project team may wish to increase the estimated time dedicated to managing the changes. Questions used to identify a high degree of change include:
  - Is the area being addressed in the midst of reorganization or a major change initiative?
  - Are the business rules changing due to external forces (e.g., customers, legal issues, etc.)?

Steps

Managing Change Requests

1. The Project Manager receives the Change Request identified during the project's execution.[8] *[401]*

2. The Project Manager estimates the budget and schedule impacts and applies judgment against the baselined workplan. The Project Manager should involve appropriate team members in the estimating process and impact analysis. *[401]*

3. The Project Manager determines if the Change Request impacts the baselined Workplan.[9] *[402]*
   a) If it does not impact the Project Plan, then the Project Manager decides whether or not to accept the request. *[403]*
      i) If the request is accepted, then the Project Manager updates the appropriate documents to reflect the change. No further work is required. *[406]*
      ii) If the Project Manager rejects the request, then the Project Manager communicates the decision to the person requesting the change. No further work is required. *[407]*

[8] Projects may require resource changes during the project's execution. These changes should not be considered change requests.

[9] This assumes that the most recent baseline is used to make this determination. For example, a project's baseline may have changed. In this example, the most recent baseline is used for this determination.

b) If the Change Request, impacts the baselined Project Plan, then the Project Manager discusses the change with the Project Owner. *[404]*

c) The Project Owner reviews the Change Request and determines whether to accept or reject the Change Request or if the decision should be deferred to the Approval Board.
   i) If the request is accepted, then the Project Manager updates the appropriate documents to reflect the change. No further work is required. *[406]*
   ii) If the Project Owner rejects the request, then the Project Manager communicates the decision to the person requesting the change. No further work is required. *[407]*
   iii) If the Project Owner defers the decision to the Approval Board: *[408]*
      (1) The Project Manager contacts the PMO and schedules the Approval Board's review of the Change Request.
      (2) The appropriate steps are then taken.

Project Status Meeting *(frequency as defined by the Project Plan)*

1. In preparation for the status meeting, the Project Manager updates the workplan and prints out the variance reports for the project. The Project Manager also compiles the cost information and prints out the issues log. *[409, 410, 411]*

2. The Project Manager reviews the Project Variances and discusses schedule variances against the baseline and any cost variances. *[412]*

3. The Project Team members discuss status and variances in their respective areas of the Project Plan. They also discuss issues and risks at this meeting. *[413]*

4. Based on these discussions, the Project Manager revises the Project Plan and workplan as appropriate. The Project Manager should then escalate issues as appropriate. *[414]* These include:

   a) Schedule variances
   b) Cost variances
   c) Newly identified project risks

Controlling Process Inputs

1. Baselined Project Plan (includes the workplan)
2. Updated Project Team Time Entry

Controlling Process Outputs

1. Project Plan Changes
2. Status Reports to Upper Management
3. Updated Issues Log

9. Closing Process

Description

The Closing Process brings a project to formal closure. In some cases, a project may extend across multiple phases (e.g., Feasibility Study, Design, Development, Implementation, etc.). Under these circumstances, judgment should be exercised to determine the degree and type of closure necessary for the project at each phase of the project. *Please refer to PMBOK, Section 10.4 for further information in this area.*

Objectives

The Closing Process has several objectives:

1. **Formally Close the Project**– Projects must be formally closed after they have been completed. The Closing Process marks the Project Sponsor's acceptance of the project results.

2. **Improve the Project Management Methodology –** The project management methodology should be continuously improved to account for new needs and to further refine SWS' ability to execute projects.

Estimating Factors

None.

Steps

1. The Project Manager prepares the Project Summary and Acceptance Form. This form provides an overview of the project's performance and reiterates the project's success criteria. *[501]*

2. The Project Manager discusses the Project Summary and Acceptance Form with the Project Owner and the Project Owner validates the information in the form. Together, they determine the project has been completed. *[502,503]*

3. The Project Manager submits the acceptance form to the Sponsor and walks through the key sections of the form. *[504]*
   a) If the Sponsor accepts the project, the Sponsor signs the document indicating acceptance and keeps a copy for their records. *[507]*
   b) If the Sponsor does not accept the project, then the Sponsor notes the issues and the Project Manager meets with the Project Owner to resolve any items. *[506]*

4. The Project Manager provides a copy of the of the signed acceptance form to the PMO and the Approval Board. *[508]*

5. The PMO schedules a post mortem meeting with the project team. *[509]*

6. The PMO conducts the post mortem meeting with the project team to review the project and to determine what went well on the project (and should be repeated for future projects), what areas can be improved for the next project and what updates to the project management methodology would improve the project management process. *[510]*

7. The PMO updates the methodology and rolls out the changes. *[511]*

Closing Process Inputs

1. Completed Project Plan

Closing Process Outputs

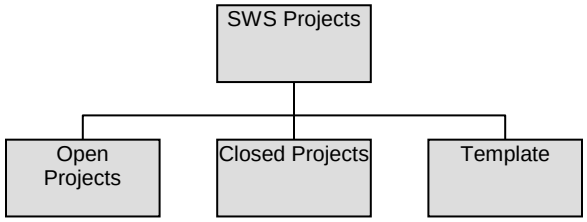
2. Signed Acceptance Form
3. Closed Project in the Project List
4. Updated Project Management Tool
5. Completed Lessons Learned Documentation Form
6. Completed Project Closure Checklist

10. Appendix

Appendix A - Project Standards

Directory Structure

Project information will be stored in a directory structure as follows:



The project filenames will begin with the project number and include text as appropriate to describe the file (e.g., 2150- SAP Billing Project).

Document Format

Documents should include the following information:

- Header – Includes the project name and the project number.
- Footer – Should include:
  - Page numbers – *page x of x*
  - Document location – filename and version
- Colors – colors will be avoided since many SWS locations lack color printers.

Work Breakdown Structure - Naming Conventions

Project Lifecycle

A project is typically composed of multiple phases (e.g., design, development, etc). *Please refer to PMBOK Section 2.1, Project Phases and the Project Lifecycle for further information in this area.*

Phase

Typically contains several steps and indicates the logical sequence required to complete a desired result. *Please refer to PMBOK Section 2.1, Project Phases and the Project Lifecycle for further information in this area.*

Activities and Tasks

The syntax for naming activities and tasks is as follows <*action*> + <*noun*>. The naming should be a brief phrase of no more than 4-5 words.

Examples:

- Configure system
- Determine functional requirements
- Train business unit

Milestones

The syntax for naming milestones is <*noun*> + <*past tense verb*>.

Examples:

- System configured
- Requirements defined
- Users trained

Project Activities

The following activities should be included in all projects:

1000 Project Kickoff

During this activity, the project team meets and reviews the Project Plan. The Project Manager also discusses each team member's role and their project responsibilities.

9000 Project Management

This activity includes all tasks related to executing and controlling the project. This activity embodies the Execution and Controlling Processes of a project.

Task Numbering

Tasks in the workplan should be numbered to simplify project management and communication regarding the project. Specifically:

- Phases will be numbered in the thousands (i.e., 1000, 2000, 3000).
- Activities will be numbered in the hundreds (i.e., 1100, 1200, 1300, etc.).
- Tasks will be numbered in the tens and as necessary in the single digits (i.e., 1111, 2134, etc.)

Workplan Documents

Gantt Chart

The Gantt chart produced for a project should not include resource designations and should be a maximum of 3 pages.

Task Work Effort

- The work effort associated with each task should be printed out using the Microsoft Project view, "Task Usage View", or an equivalent format.
- For projects with a length of less than 3 months, the timescale should be set to days.
- For projects exceeding 3 months, the timescale should be set to weeks.
- Estimating assumptions should also be captured in the workplan.

Summary Resources Requirements

Summary resource requirements should be determined by using the Microsoft Project view, Resource Usage. The timescale should be set to years and quarters and a summary level view describing the effort by resource should be used.

Appendix B - Sequencing/Schedule Development Policy

The Project Manager should create dependencies in the workplan for those tasks executing in a sequential fashion. Dependencies should not be entered for tasks that can execute at any time. The Project Manager should leverage the capabilities of the project management tool to level resources and to ensure resources are allocated effectively. However, the Project Manager should make the adjustments necessary to create a realistic workplan.

Appendix C - Estimating Policy Guidelines

Task Estimating Level

Tasks should be estimated to a level where the effort required to complete the task take less than one week in duration. The objective of this guideline is to decompose the work to a level of detail that enables its management on a week-to-week basis.

Estimating Assumptions

Estimating assumptions should be captured in the workplan tool and should reflect the scope outlined by the Project Plan.

Appendix D - Frequently Asked Questions

1. **What is considered a project?**

   A request is considered to be a project if it:
   - Exceeds 40 hours and,
   - Requires the involvement of more than 2 departments.

1. **Must all projects follow the Project Management Methodology?**

   All projects meeting the project criteria must follow the Project Management Methodology.

2. **Are all projects required to complete all the sections of the Project Plan?**

   Project Managers should complete all sections of the Project Plan template to the level appropriate to the project effort. The Project Manager together with the Project Owner may determine that a particular part of the Project Plan does not apply. In these cases, the exclusions must be noted in the Project Plan Checklist.

3. **Why must hours be entered and tracked for each project?**

   One of the key objectives of the Project Management Methodology is to improve SWS' ability to effectively allocate its resources. In order to do this, it is necessary to capture the planned and actual hours required from each project team member. Therefore, budgeting and capturing the hours a particular resource works is the foundation of the project activities.

4. **Can one person fulfill multiple roles on a project?**

   Yes, one person can serve in several roles at once. For example, a Project Sponsor may also serve as a Subject Matter Expert.

Appendix E - Terminology

- **Project Plan** – The entire package outlining all aspects of a project. This package includes the work breakdown structure, the scope statement and the other sections referred to in the Project Plan. It also encompasses the workplan.

- **Workplan** – Part of the Project Plan capturing the work breakdown structure, the resources and effort associated with completing a project. This document is typically captured in a tool such as Microsoft Project and lists the activities and tasks necessary to complete the project.

Appendix F - Project Management Examples

Project Managers should use their judgment when applying this methodology. The methodology may be applied in different ways depending on the scope and complexity of each project. The following examples describe two types of projects – a small project and an enterprise-level project.

Example – Small Project

A request is received to add a complex report that may require 2-3 months of effort. A division will sponsor this request and the required effort is clearly understood. A project of this nature can be planned from the outset as one contiguous phase.

Example – Enterprise-Level Project

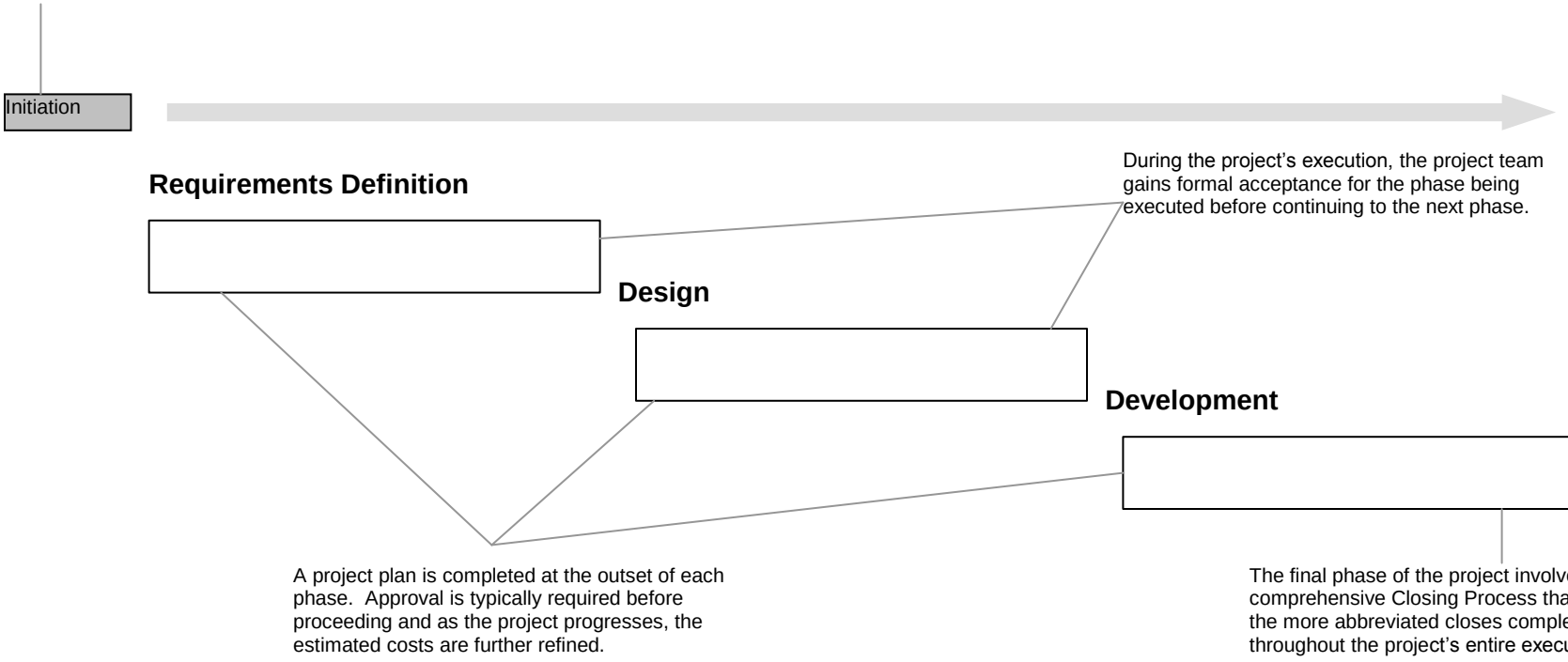
A business unit outlines a project request for a new software system impacting the entire enterprise. The request is submitted along with the justification for completing the project. The initiative will consist of 3 major project phases that are expected to span multiple years:

- Requirements Definition
- Design
- Development

A project of this nature requires fairly extensive planning not only the outset but also before the beginning of each phase. In this scenario, it is difficult to provide an exact estimate for the entire effort. The project team develops a range for the entire project with a fixed estimate for the next project phase that will be completed. Estimates are refined as each project phase is completed.

Enterprise-Level Project Example

For enterprise level efforts, it is common to provide an estimated cost within a percentage range (e.g., +/- 20%) for the entire project effort across all phases with the next phase planned in detail. The Initiation Process represents a willingness to complete the entire project, contingent on the findings of subsequent phases.



Appendix G – Task vs. Deliverables Cross Reference

The following table outlines when each of the attached deliverables is created, updated or referenced throughout the project management lifecycle.

Deliverable	Initiation	Planning	Execution	Controlling	Closing
Project Charter	C	R			
Project Plan Sections					
- Project Plan Checklist		C			
- Executive Summary		C	R	R	R
- Scope Statement		C	R	R/U	R
- Organization Plan		C	R	R/U	R
- Risk Management Plan		C	R	R/U	R
- Communication Plan		C	R	R/U	R
- Quality Plan		C	R	R/U	R
- Work Breakdown Structure		C	U	U	R
- Cost Estimating Sheet		C		U	R
- Cost Tracking Sheet		C		U	R
Status Report			C	R	
Issues Log			C (individual issue)	U (log)	
Change Request Template			C	R/U	R
Change Request Log			C (individual request)	U	
Project Summary Report					C
Lessons Learned Documentation					C
Acceptance Form					C
Project Closure Checklist					C

Legend
C = Created
R = Reference
U = Updated (changes made to the document)

Appendix H - PMO Description

The PMO's responsibilities are as follows:

Includes

Compliance

- Ensures compliance with the Project Management Methodology
- Ensures documents are complete and in compliance with methodology

Approval Board Meeting

- Prioritizes planning effort and determines potential planning start date
- Presents documents to Approval Board (by default, Project Owner is part of Approval Board)
- Facilitates board approval meetings
- Stores, copies, and distributes documents
- Assists board in monitoring project progress (sets agenda item to review projects in critical status and provides summary level status)

Project Team Assistance

- Reviews incoming project requests and assigns to appropriate manager
- Facilitates resource allocation at generic level after project is approved

Methodology Infrastructure

- Serves as Planview administrator; translates board criteria into tool
- Provides continuous process improvement for methodology
- Responsible for post mortem activities
- Maintains original project documents (original signatures on deliverables)

Excludes

- Individual resource allocation on specific projects
- Preparation of project plan (i.e., does not own content of plan)
- Approval of plans